

104TH CONGRESS
2D SESSION

H. R. 2897

To increase the public debt limit, to protect the social security trust funds and other federal trust funds and accounts invested in public debt obligations, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 25, 1996

Mr. SMITH of Michigan introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Government Reform and Oversight, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To increase the public debt limit, to protect the social security trust funds and other federal trust funds and accounts invested in public debt obligations, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. INCREASE IN PUBLIC DEBT LIMIT.**

4 Subsection (b) of section 3101 of title 31, United
5 States Code, is amended by striking the dollar amount
6 contained therein and inserting “\$4,920,000,000,000”.

1 **SEC. 2. APPLICABILITY OF PUBLIC DEBT LIMIT TO FED-**
2 **ERAL TRUST FUNDS AND OTHER FEDERAL**
3 **ACCOUNTS.**

4 (a) PROTECTION OF FEDERAL FUNDS.—Notwith-
5 standing any other provision of law—

6 (1) no officer or employee of the United States
7 may—

8 (A) delay the deposit of any amount into
9 (or delay the credit of any amount to) any Fed-
10 eral fund or otherwise vary from the normal
11 terms, procedures, or timing for making such
12 deposits or credits, or

13 (B) refrain from the investment in public
14 debt obligations of amounts in any Federal
15 fund,

16 if a purpose of such action or inaction is to not in-
17 crease the amount of outstanding public debt obliga-
18 tions, and

19 (2) no officer or employee of the United States
20 may disinvest amounts in any Federal fund which
21 are invested in public debt obligations if a purpose
22 of the disinvestment is to reduce the amount of out-
23 standing public debt obligations.

24 (b) PROTECTION OF BENEFITS AND EXPENDITURES
25 FOR ADMINISTRATIVE EXPENSES.—

1 (1) IN GENERAL.—Notwithstanding subsection
2 (a), during any period for which cash benefits or ad-
3 ministrative expenses would not otherwise be payable
4 from a covered benefits fund by reason of an inabil-
5 ity to issue further public debt obligations because
6 of the applicable public debt limit, public debt obli-
7 gations held by such covered benefits fund shall be
8 sold or redeemed only for the purpose of making
9 payment of such benefits or administrative expenses
10 and only to the extent cash assets of the covered
11 benefits fund are not available from month to month
12 for making payment of such benefits or administra-
13 tive expenses.

14 (2) ISSUANCE OF CORRESPONDING DEBT.—For
15 purposes of undertaking the sale or redemption of
16 public debt obligations held by a covered benefits
17 fund pursuant to paragraph (1), the Secretary of the
18 Treasury may issue corresponding public debt obli-
19 gations to the public, in order to obtain the cash
20 necessary for payment of benefits or administrative
21 expenses from such covered benefits fund, notwith-
22 standing the public debt limit.

23 (3) ADVANCE NOTICE OF SALE OR REDEMP-
24 TION.—Not less than 3 days prior to the date on
25 which, by reason of the public debt limit, the Sec-

1 retary of the Treasury expects to undertake a sale
2 or redemption authorized under paragraph (1), the
3 Secretary of the Treasury shall report to each House
4 of the Congress and to the Comptroller General of
5 the United States regarding the expected sale or re-
6 demption. Upon receipt of such report, the Comp-
7 troller General shall review the extent of compliance
8 with subsection (a) and paragraphs (1) and (2) of
9 this subsection and shall issue such findings and rec-
10 ommendations to each House of the Congress as the
11 Comptroller General considers necessary and appro-
12 priate.

13 (c) PUBLIC DEBT OBLIGATION.—For purposes of
14 this section, the term “public debt obligation” means any
15 obligation subject to the public debt limit established
16 under section 3101 of title 31, United States Code.

17 (d) FEDERAL FUND.—For purposes of this section,
18 the term “Federal fund” means any Federal trust fund
19 or Government account established pursuant to Federal
20 law to which the Secretary of the Treasury has issued or
21 is expressly authorized by law directly to issue obligations
22 under chapter 31 of title 31, United States Code, in re-
23 spect of public money, money otherwise required to be de-
24 posited in the Treasury, or amounts appropriated.

1 (e) COVERED BENEFITS FUND.—For purposes of
2 subsection (b), the term “covered benefits fund” means
3 any Federal fund from which cash benefits are payable
4 by law in the form of retirement benefits, separation pay-
5 ments, life or disability insurance benefits, or dependent’s
6 or survivor’s benefits, including (but not limited to) the
7 following:

8 (1) the Federal Old-Age and Survivors Insur-
9 ance Trust Fund;

10 (2) the Federal Disability Insurance Trust
11 Fund;

12 (3) the Civil Service Retirement and Disability
13 Fund;

14 (4) the Government Securities Investment
15 Fund;

16 (5) the Department of Defense Military Retire-
17 ment Fund;

18 (6) the Unemployment Trust Fund;

19 (7) each of the railroad retirement funds and
20 accounts;

21 (8) the Department of Defense Education Ben-
22 efits Fund and the Post-Vietnam Era Veterans Edu-
23 cation Fund; and

24 (9) the Black Lung Disability Trust Fund.

25 (f) CONFORMING AMENDMENTS.—

1 (1) IN GENERAL.—Subsections (j), (k), and (l)
2 of section 8348 of title 5, United States Code, and
3 subsections (g) and (h) of section 8438 of such title
4 are hereby repealed.

5 (2) RETENTION OF AUTHORITY TO RESTORE
6 TRUST FUNDS WITH RESPECT TO ACTIONS TAKEN
7 BEFORE DATE OF ENACTMENT.—

8 (A) IN GENERAL.—The repeals made by
9 paragraph (1) shall not apply to the restoration
10 requirements imposed on the Secretary of the
11 Treasury (or the Executive Director referred to
12 in section 8438(g)(5) of title 5, United States
13 Code) with respect to amounts attributable to
14 actions taken under subsection (j)(1) or (k) of
15 section 8348, or section 8438(g)(1), of such
16 title before the date of the enactment of this
17 Act.

18 (B) RESTORATION REQUIREMENTS.—For
19 purposes of subparagraph (A), the term “res-
20 toration requirements” means the requirements
21 imposed by—

22 (i) paragraphs (2), (3), and (4) of
23 subsection (j), and subsection (l)(1), of
24 section 8348 of such title, and

1 (ii) paragraphs (2), (3), (4), and (5)
2 of subsection (g), and subsection (h)(1), of
3 section 8438 of such title.

4 **SEC. 3. LIMITATION ON ISSUANCE OF PUBLIC DEBT OBLI-**
5 **GATIONS AFTER DECEMBER 31, 2001.**

6 No obligation subject to the limitation under section
7 3101(b) of title 31, United States Code, may be issued
8 to the public after December 31, 2001. The preceding sen-
9 tence shall not apply to any obligation (or series of obliga-
10 tions) issued to refund an obligation issued before January
11 1, 2002.

12 **SEC. 4. AUTHORITY TO ESTABLISH PRIORITIES IN MANAG-**
13 **ING CASH POSITION OF UNITED STATES.**

14 Section 3101 of title 31, United States Code, is
15 amended by adding at the end the following new sub-
16 section:

17 “(d) Whenever the United States Government is un-
18 able to borrow in a timely manner sufficient funds to meet
19 its needs because of the limit set forth in subsection (b),
20 the Secretary of the Treasury is authorized to manage the
21 cash position of the United States Government pursuant
22 to priorities established by the President for making pay-
23 ments.”.

1 **SEC. 5. PROHIBITION OF SALES OF ASSETS TO AVOID PUB-**
2 **LIC DEBT LIMIT.**

3 Notwithstanding any other provision of law, no offi-
4 cer or employee of the United States may sell any property
5 of the United States if the primary purpose of such sale
6 is to avoid the limitation set forth in section 3101(b) of
7 title 31, United States Code (relating to public debt limit).

○